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In replying please address:



25X1

November 2, 1961

Dear Sir:

As a result of recent discussions with your technical representative, we are submitting herewith a proposed program directed toward the design and experimental preparation of two die sets for punching louvers in liners for the Model 1 Incinerator, and the provision of advisory technical services in connection with the fabrication, by a commercial organization, of additional mechanical paper grinders of the type developed under Task Order No. UU.

During the past few years, several programs have been conducted for your technical representative that were directed toward the design and preparation of three different-sized experimental incinerators for use in destroying burnable, security-classified material. These previous efforts have been concerned with various aspects of the units now designated as the Models 1, 2, and 3 Incinerators, including the design, preparation, and evaluation of experimental versions of the three units, the preparation of working drawings for Models 1 and 2, the provision of technical advisory assistance during the commercial fabrication and installation of prototype units of Models 1 and 2, etc.

Each of the Models 1 and 2 units includes a stainless steel liner in which louvers are cut and bent by a die set; these permit air to be forced

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into the incinerators under controlled conditions so as to burn the paper charges rapidly and at the same time to keep the liner relatively cool. The current versions of these two units are equipped with liners prepared from 16-gage Type 310 stainless steel sheet. Your technical representative is interested in selectively utilizing a thicker Type 310 sheet for the liner, particularly of the Model 1 unit, in an attempt to provide an increased life for this component under particular service conditions.

In this connection, your technical representative has indicated a need for two die sets. One would be identical with the die set previously designed and prepared by us for use on 16-gage Type 310 sheet as currently specified. The louvers punched with this die set would be identical with those on the liners which have been provided previously in the Models 1 and 2 Incinerators. The other die set would be for use in punching louvers in 11-gage Type 310 sheet. The liners prepared using this die set would be identical, respectively, with the present liners of the Models 1 and 2 units, except that the material would be thicker.

Accordingly, it is proposed that effort be directed toward the design and experimental preparation of two die sets as outlined above. It is contemplated that these die sets would be capable of punching the louvers as shown on Drawing No. 354-414 for the Model 1 Incinerator. As part of the proposed effort, each die set would be checked experimentally to evaluate performance, and then would be submitted to your technical representative. As was the case previously, these die sets would be of a nature such that the

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commercial fabricators who have occasion to use them would have to prepare special adapters in order to fit the sets into the available presses.

In connection with the prototype mechanical paper grinder which has been developed under Task Order No. UU, your technical representative contemplates obtaining bids from commercial firms for the fabrication of additional prototype units. In order to facilitate the ultimate commercial fabrication of such units, your technical representative is interested in applying our experience and background stemming particularly from our previous efforts in the development of the prototype unit. Accordingly, we propose that advisory technical services be supplied to a small number of fabricators, selected by your technical representative, in connection with the commercial production of additional prototype units. This proposed effort would consist essentially of meeting with personnel from the selected firms at our facilities, at a time to be coordinated by your technical representative; describing and demonstrating the prototype unit; and furnishing, on a limited basis, copies of available data, sketches, and/or pictures needed by the firms for the purpose of considering the preparation of additional prototype units.

At the conclusion of the proposed contractual period, a summary letter report would be submitted that described briefly the effort performed.

We propose to undertake the above-outlined effort over a period of three months, starting on the date of acceptance of authorization from the Contracting Officer or his representative to proceed. The proposed program could be conducted under Task Order No. 9. The Work Order would be a period-basis research agreement; it could be similar in form to that used

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previously under Task Order No. TT and the same administrative procedures could be followed. The Work Order would require only that the effort be directed toward the objectives outlined above, within the limits of the time and funds provided.

Since part of the proposed effort will be conducted as the need arises, the cost cannot be predicted at the present time. However, it is recommended that an appropriation of \$3,390, which includes the fixed fee of \$190, be provided for this activity during the proposed contractual period. A general breakdown of estimated costs has been prepared in this amount on the basis of our past experience with activity of this type, and is attached.

If you should have any questions with regard to this proposed effort, please let us know. Any inquiries of a contractual nature may be directed to

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Very truly yours,

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In Duplicate

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For ~~Research~~ **Experimental Preparation of Two Special Die Sets and Advisory Technical Services on Paper-Grinder Production.**

Based upon a period-basis contract for a research period of **3 months.**

Including time for submission of all reports. (The proposed contract will not provide for earlier conclusion of the research.)

ESTIMATED COSTS

It is expected that the cost of this research for the period indicated above may be distributed approximately as set forth hereon, subject to the understanding that this allocation is merely an estimate, and actual costs incurred may vary from the categories shown. It has been determined that these estimates are reasonable and consistent with established policies as approved by cognizant Government representatives. These policies are briefly discussed below and will be followed in determination of the actual costs hereunder.

Materials, Supplies, & Misc.

Including purchase orders and any equipment which may be purchased as necessary in performance of the research. Materials, supplies and equipment charges of \$25 or less are excluded from this item. Miscellaneous includes such items as postage, telephone, telegraph, freight, express, etc.

\$ **100**

Use of Equipment

Includes actual use of specialized technical equipment at a rate established for each item of equipment. This rate is based on depreciation, maintenance, utilities, and other expenses necessary to the operation of the equipment.

\$ **200**

Technical Services

Includes operating expenses of research and service divisions charged only to the contracts active within each division on the basis of the direct services provided.

\$ **450**

Travel

Includes the actual cost of transportation and reasonable actual subsistence expenses. An allowance of ten (10) cents per mile for necessary travel by privately owned conveyance is included in lieu of the cost of such travel. Fifteen Dollars (\$15.00) per day is used as a guide in determining the reasonableness of subsistence expenses for necessary travel.

Nominal

Salaries & Wages

Including our predetermined accrual for vacation, holiday, and sick-leave pay, pension, insurance, and social security.

Type of Employee	No. of Man-Months	Estimated Cost
Supervision	1/4	\$ 300
Research Engineers	3/4	880
Lab. Assistants	Nominal	Nominal
Other, i.e., Shop, Photo, Steno, etc.	2/3	330

Total Salaries & Wages

\$ **1,510**

Overhead

62 per cent of salaries and wages, as they are defined above. Provisional monthly reimbursement will be at the rate of 60 per cent of salaries and wages, as so defined, or at such other provisional rate as may from time to time be mutually agreed upon with the Government's audit representatives. In accordance with the Armed Services Proc. Regulation 3-704.1, "Negotiated Overhead Rates", this is a provisional rate for current reimbursement, which has been arrived at by negotiation with Government representatives, and it will be subject to retroactive revision to the "actual" rate agreed upon with them for each calendar year following a detailed audit for that year. The item of overhead includes general research, charges of \$25 or less for materials and supplies, and other categories of costs customarily included in our overhead account. Cash discounts on all purchases will be credited to overhead, instead of to the amount of the purchase. Scrap of appreciable value will be credited directly to the project. All other scrap will be credited to the overhead account, in which the Government participates.

\$ **940**

Total Estimated Cost \$ **3,200**
Fixed Fee \$ **190**
Contract Price \$ **3,390**

Please let us have your acceptance in our hands by

December 18, 1961.

Unless we extend the time, your acceptance after that date will be subject to agreement.

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